

Pace Airline saga ends after four years

BY RICHARD CRAVER
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The Pace Airlines Inc. bankruptcy saga has closed, nearly four years after the company was shut down in September 2009, eliminating 421 jobs.

Bankruptcy trustee Edwin Allman III said in a final filing Friday that \$1.27 million was distributed to Pace's employees, with \$37,693 in assets going unclaimed and considered as abandoned. About \$640,000 in administrative expenses were paid during the Chapter 7 case.

William Miller, the case's bankruptcy administrator, certified Allman's final accounting, and U.S. Bankruptcy Court Judge Catharine Aron approved the closing of the case.

The Winston-Salem company, once an anchor tenant at Smith Reynolds Airport, collapsed four months after William Rodgers Sr. took ownership in May 2009. Creditors forced Pace into Chapter 7 bankruptcy protection in January 2010. The employees are the only creditors to receive compensation, Allman said.

Employees received compensation in February. Workers had gone up to six weeks without pay before the company closed. Most workers stayed on, fearing Pace management would try

to deny them unemployment benefits if they quit.



Rodgers

A review of individual checks showed that workers received checks ranging from \$1,337 to \$3,049. There were 324 employees eligible for the maximum compensation amount.

"I am very happy that it ended with employees getting a substantial portion of what they were owed," Allman said, "It was a difficult case that started poorly but ended well."

Claims to the estate that were not paid totaled \$21.6 million, including \$5.6 million in priority unsecured claims and \$14.4 million in general unsecured claims.

The bulk of the money available for administrative costs and employee reimbursement came from \$1.4 million in legal settlements, including \$1 million reached in February 2012 with the insurer representing Rodgers.

Outside of attorney fees, the largest administrative cost was \$65,000 paid to the Airport Commission of Forsyth County. The commission reached an agreement with the estate in June 2012 after filing a lawsuit in November

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2009 for \$1.04 million in back rent.

On April 18, Rodgers accepted a deal to reimburse 150 Pace employees about \$445,000 in unpaid medical claims stemming

from his failure to pay health-insurance premiums.

He agreed to enter a deferred prosecution program to avoid jail time after being convicted of one count of willful failure to pay group health-insurance premiums to Blue Cross and Blue Shield of

North Carolina and 26 counts of willful failure to deliver notice to employees. He faced a possible five to 20 months in prison on each count.

Rodgers will be on unsupervised probation for a year, and he will have to complete 200 hours of community service with-

in 300 days, which can be done in Missouri, where he now lives. If he complies with the conditions of his probation, the N.C. Attorney General's Office will dismiss all charges against him.

rcraver@wsjournal.com
(336) 727-7376

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